

Message Text

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ORIGIN EB-08

INFO OCT-01 AF-10 ARA-06 EA-07 EUR-12 NEA-10 IO-13
ISO-00 L-03 FRB-03 OMB-01 ITC-01 SP-02 USIA-06
AGRE-00 AID-05 CIAE-00 COME-00 INR-07 LAB-04
NSAE-00 OIC-02 SIL-01 STR-04 TRSE-00 CEA-01 /107 R

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-----301858Z 082184 /45

R 300051Z APR 77
FM SECSTATE WASHDC
TO AMEMBASSY JIDDA
AMEMBASSY TEHRAN
INFO AMEMBASSY BRUSSELS
AMEMBASSY LONDON
USMISSION USUN NEW YORK
USMISSION GENEVA

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E.O. 11652: N/A

TAGS: ETRD, EAGR

SUBJECT: UNCTAD SUGAR CONFERENCE: PARTICIPATION OF
IRAN AND SAUDI ARABIA

REF: GENEVA 3009

1. SUMMARY. UNCTAD SUGAR CONFERENCE NOW UNDERWAY IN
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GENEVA WILL REQUIRE COOPERATION BY ALL SUGAR IMPORTING
AND EXPORTING COUNTRIES FOR SUCCESSFUL AGREEMENT. IRAN
AND SAUDI ARABIA IMPORT SIZEABLE QUANTITIES OF SUGAR BUT
ARE NOT REPRESENTED IN THE CONFERENCE.

2. NEGOTIATIONS BEGAN APRIL 18 IN GENEVA FOR A NEW
INTERNATIONAL SUGAR AGREEMENT (ISA). OVER 70 COUNTRIES

ARE PARTICIPANTS, INCLUDING 35 SUGAR EXPORTING DEVELOPING COUNTRIES FOR WHOM AN AGREEMENT IS ESPECIALLY IMPORTANT. THERE IS WIDE CONSENSUS THAT SOME FORM OF EXPORT CONTROLS WILL BE REQUIRED.

3. FYI. THE EC'S POSITION IS CRITICAL IN THIS REGARD. ITS HIGH DOMESTIC SUPPORT PRICE FOR SUGAR, TOGETHER WITH ITS IMPORTS FROM THE ACP COUNTRIES UNDER THE LOME CONVENTION, YIELDS A LARGE EXPORTABLE SURPLUS OF SUGAR. IT IS THE ONLY MAJOR EXPORTER TO THE FREE MARKET THAT SO

FAR HAS BALKED AT RESTRAINING ITS EXPORTS UNDER AN INTERNATIONAL AGREEMENT. ITS REFUSAL TO ACCEPT EXPORT CONTROLS COULD PROVE THE ACHILLES HEEL OF AN EFFECTIVE ISA. STRONG PROVISIONS NEED TO BE NEGOTIATED BY ALL IMPORTANT IMPORTING COUNTRIES TO LIMIT IMPORTS FROM THE EC OR OTHER EXPORTING COUNTRIES WHICH MIGHT REJECT MEMBERSHIP IN AN ISA. END FYI.

4. NEITHER IRAN NOR SAUDI ARABIA ARE REPRESENTED AT THE SUGAR CONFERENCE, WHICH IS DUE TO LAST THROUGH MAY 27. BOTH ARE IMPORTANT SUGAR IMPORTERS. IN 1975, IRAN IMPORTED OVER 640 THOUSAND TONS AND SAUDI ARABIA OVER 122 THOUSAND TONS. BOTH HAVE ALSO IN PAST YEARS IMPORTED SUGAR FROM EC COUNTRIES AND POTENTIALLY REPRESENT A LARGE MARKET FOR THEIR EXPORTS. PARTICIPATION BY IRAN AND SAUDI ARABIA IS NEEDED TO HELP BRING ALL EXPORTING COUNTRIES INTO AN AGREEMENT OR PROTECT THE AGREEMENT SHOULD ANYONE CHOOSE TO STAY OUT.

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5. ACTION REQUESTED: IT WOULD BE HELPFUL FOR EMBASSIES JIDDA AND TEHRAN TO APPROACH HOST GOVERNMENTS AT THE APPROPRIATE LEVEL TO ENCOURAGE PARTICIPATION IN THE CONFERENCE BY THEIR GENEVA REPRESENTATIVE OR OTHER OFFICIAL. EMBOFFS CAN STRESS THE FOLLOWING POINTS:

35 SUGAR EXPORTING DEVELOPING COUNTRIES SEEK AN EFFECTIVE AGREEMENT,

A SUCCESSFUL AGREEMENT REQUIRES MEMBERSHIP BY ALL EXPORTING COUNTRIES, INCLUDING THE EC COUNTRIES, OR AT LEAST LIMITS ON THE AMOUNT OF SUGAR THEY CAN EXPORT SHOULD THEY CHOOSE NOT TO JOIN,

THE CHANCES FOR THIS WOULD BE ENHANCED BY PARTICIPATION BY ALL MAJOR SUGAR IMPORTING COUNTRIES, INCLUDING IRAN AND SAUDI ARABIA.

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Control Number: n/a
Copy: SINGLE
Sent Date: 30-Apr-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
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Handling Restrictions: n/a
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TAGS: ETRD, EAGR, PORG, XX, IR, SA, UNCTAD
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